

Everyone in the community should be made aware of these facts.

In addition to the fact that the stance of the BCC will inevitably reduce many services, in particular during a time in which many of them are seeing more demand, there is a more chilling effect that their actions will likely have. This is the negative impact on the local economy in general. It will not be just the employees that suffer from these actions, but the entire County. The BCC is aware of these impacts and is choosing to move forward anyways – though they certainly haven't brought discussed these impacts publicly during their budget talks.

In February of this year, the BCC received an economic impact study of County expenditures by a respected member of the UNR Economics department. This study looked at how County expenditures affect the local economy. Obviously, when the County spends money on projects, local businesses receive revenue. County employees take their paycheck out into the community and much of their spending is directed towards local businesses. Those businesses and their employees spend money here in Washoe County as well, increasing overall economic activity.

The study found that for every dollar spent on payroll by Washoe County, 1.6 dollars is spent in the local economy. That means for every dollar that the BCC reduces the wages of Washoe County employees , local businesses will suffer a 1.6 reduction in their revenues. In addition, the study found that the impact of direct spending by employees in the downtown area (which account for approximately 29% of County employees) accounts for 9.3% of the overall impact of County expenditures. Direct expenditures of these employees account for over \$43 million dollars in the downtown area. Of course, these expenditures support many jobs in the community, and there could likely be an effect on available jobs as well, as their spending decreases.

Furthermore, these affects may be amplified if the County employees that are being asked to reduce their wages are already at the end of their budgetary rope. A larger decrease in pay for those employees living paycheck to paycheck may not only reduce their normal spending levels, but may have larger negative impacts on things like the foreclosure rate and large purchase decisions. That in turn, could reduce revenues to the County even further, and exacerbate an already very serious budget picture.

To summarize, the approach of the BCC is not the correct approach and risks even bigger problems to the community past the reductions in services that are already projected. Putting such a large impact on employees will create negative pressures on the local economy, including the potential for increased foreclosures and reduced spending. In a state where the foreclosure and unemployment numbers are amongst the highest in the nation, this is irresponsible. It is extremely important that the public is made aware of these facts and that the BCC changes its approach. The economic study will be made available on the WCEA website should anyone wish to take a look at it. Thank you.